



Touching All Parts of the Financial Economy

An Interview with John F. Barrett,
Chairman, President, and Chief Executive Officer, Western & Southern Financial Group

EDITORS' NOTE John Barrett has been President since 1989 and Chief Executive Officer since 1994. He also serves on the board of directors of Cintas Corporation and Convergys Corporation, and is a past two-term Chairman of the Ohio Business Roundtable. Further, he is Co-Chairman of The Greater Cincinnati Scholarship Association, Chairman of the Medical Center Fund for the University of Cincinnati, Vice Chairman of the Capital Campaign for The University of Cincinnati Foundation, and Honorary Chairman of the University's "Presidential Bicentennial Commission." Barrett is a director of the American Council of Life Insurers and the Financial Services Roundtable, and a member of the Business Roundtable, all in Washington, D.C. He is a past President of the Association of Ohio Life Insurance Companies. Barrett holds a bachelor's degree in Business Administration from the University of Cincinnati.



John F. Barrett

COMPANY BRIEF Western & Southern Financial Group (westernsouthern.com) is a Cincinnati-based diversified family of financial services companies with assets owned and managed in excess of \$70 billion. Western & Southern is one of the strongest life insurance groups in the world. Over the last 25 years, it has grown from a small \$5-billion Midwestern life insurance company into a highly respected national financial services enterprise.

What makes Western & Southern Financial Group so special?

We have the best corporate culture I have ever seen, and it's getting better all the time. We are a company of hard-working, bright business professionals driven to serve the best interests of our customers, our associates, and our communities. We work very hard at that. It's what makes people want to have a career with us, not just a job.

We want everybody to want to be here every day. We want people at the end of their careers to say, "I could not have enjoyed it more, nor could I have done better anywhere else."

How do you differentiate in this space?

We focus on providing solutions and on what you need us to be, not what we need from you.

When clients realize they can be touched by us in multiple ways, and they can pick which method they like best, they appreciate it. Our various companies complement each other to serve our clients' different needs.

What makes for successful salespeople today?

They have to be focused on customer needs and they have to be tenacious. If they understand their customers and are persistent in providing solutions to their needs, they will be successful.

Our products are diverse and solve customers' needs in different ways.

We have to have professionals who get in front of prospective customers. If a person buys a policy at age 25, it's a fraction of what it would cost at age 60. They put money into it every year. This is money that, one day, your family will be happy to have.

How much is innovation taking place in this industry?

When it was founded 126 years ago, our company's agents sold life insurance door-to-door. Today's customers are very busy and need to receive financial services in a manner that is convenient for them. We have evolved into a company that solves clients' needs through many avenues – face-to-face, digital, online, by phone or mail, etc. Our business is now issued through many channels – our own employees, financial networks, the banking system, and large brokerage firms. Innovation and change are essential in today's business world.

Where will the growth in your business come from?

We stress organic growth. Fort Washington Investment Advisors is a great example of that. We started it as a *de novo* operation and placed very talented investment people in their ranks, and they have grown into the most robust investment advisor in our region.

Having said that, every few years we find a partner whose business is accretive to what we do. We treat these transactions as a merger of equals, and this model has been incredibly successful for us.

How critical has it been to have a diverse workforce?

Diversity is important in two ways: First, it enhances your ability to understand your customer base and more closely meet their needs

and, second, diverse thought processes spark innovation and creativity. Our roots 126 years ago were in servicing the financial needs of moderate-income Americans and people new to America, so reflecting our customer base is a natural fit.

What kind of advantages does Ohio offer for the business community?

Nine years ago, the Ohio Business Roundtable thought our tax structure was killing our ability to retain and attract people and businesses here. We went to the governor with a detailed plan, and he didn't change a comma. As a result, we reduced everybody's taxes – personal income tax and business taxes. These cuts fostered people's interest in growing in Ohio, which is now the second most desired place to move to and to grow a business. The tax reductions worked and both parties were supportive. The current governor has continued the progress.

Will the U.S. lose its competitive edge if we don't implement true reform in education?

The people who are unemployed are frequently those without high school degrees. We have to keep the kids in school and keep them out of trouble. Businesses can partner with our schools to enhance the education our young people receive.

For example, we have implemented a \$10,000 cash award given every year to a Cincinnati public school teacher who has advanced excellence in education.

We also have adopted an inner-city high school and we have a very dedicated group of associates who tutor there every week. They serve as great role models for the students, as they enhance their skills.

In addition, we partner on a program that awards scholarships for thousands of students every year.

If we could get more of our youth to complete their schooling, this world would be a better place.

Where is the U.S. today in terms of true healthcare reform?

The healthcare reform that was enacted three years ago wasn't reform. There will need to be a reassessment, because we have taken our healthcare as a percentage of GDP from 16 to 18 percent and it's climbing further. The inefficiencies of this new model will kill it. We need a system to attract entrepreneurial young people interested in science to the healthcare field as opposed to Silicon Valley. ●